

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
WASHINGTON, D.C. 20230

In the Matter of:

A.V.S. ARMoured VEHICLES' SYSTEMS, INC.,
now known as
S.P.L. SPARE PARTS LOGISTICS, INC.
1117 Old Country Road
Plainview, New York 11803

ORDER DENYING PERMISSION
TO APPLY FOR OR USE EXPORT LICENSES

On April 10, 1995, following a plea of guilty to one count of an information, A.V.S. Armoured Vehicles' Systems, Inc.¹ was convicted in the United States District Court for the Eastern District of New York of violating Section 38 of the Arms Export Control Act (22 U.S.C.A. § 2778 (1990 & Supp. 1998)) (the AECA). A.V.S. Armoured Vehicles' Systems, Inc. was convicted of knowingly and willfully making an untrue statement of a material fact on an export control document to the U.S. Department of State, Office of Defense Trade Control. Specifically, A.V.S. Armoured Vehicles' Systems, Inc. stated that the foreign end-user of replacement parts for the "Hawk" anti-aircraft missile system was the Government of Israel, when the actual end-user was not the Government of Israel.

¹ On September 27, 1993, A.V.S. Armoured Vehicles' Systems, Inc. filed with the State of Delaware, Secretary of State, Division of Corporations, a Certificate of Amendment of the Certificate of Incorporation to change A.V.S. Armoured Vehicles' Systems, Inc.'s name to S.P.L. Spare Parts Logistics, Inc.

Section 11(h) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1998)) (the Act),² provides that, at the discretion of the Secretary of Commerce,³ no person convicted of violating Section 38 of the AECA, or certain other provisions of the United States Code, shall be eligible to apply for or use any license, including any License Exception, issued pursuant to, or provided by, the Act or the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1998)), (the Regulations), for a period of up to 10 years from the date of the conviction. In addition, any license issued pursuant to the Act in which such a person had any interest at the time of conviction may be revoked.

Pursuant to Sections 766.25 and 750.8(a) of the Regulations, upon notification that a person has been convicted of violating Section 38 of the AECA, the Director, Office of Exporter Services, in consultation with the Director, Office of Export Enforcement, shall determine whether to deny that person permission to apply for or use any license, including any License Exception, issued pursuant to, or provided by, the Act and the Regulations, and shall also determine whether to revoke any license previously issued to such a person.

Having received notice of A.V.S. Armoured Vehicles' Systems, Inc.'s conviction for violating Section 38 of the AECA, and following consultations with the Director, Office of

² The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)), and August 13, 1998 (63 Fed. Reg. 44121, August 17, 1998), continued the Export Administration Regulations in effect under the International Emergency Economic Powers Act, (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1998)).

³ Pursuant to appropriate delegations of authority, the Director, Office of Exporter Services, in consultation with the Director, Office of Export Enforcement, exercises the authority granted to the Secretary by Section 11(h) of the Act.

Export Enforcement, I have decided to deny A.V.S. Armoured Vehicles' Systems, Inc., now known as S.P.L. Spare Parts Logistics, Inc., permission to apply for or use any license, including any License Exception, issued pursuant to, or provided by, the Act and the Regulations, for a period of five years from the date of its conviction. The five-year period ends on April 10, 2000. I have also decided to revoke all licenses issued pursuant to the Act in which A.V.S. Armoured Vehicles' Systems, Inc., now known as S.P.L. Spare Parts Logistics, Inc., had an interest at the time of its conviction.

Accordingly, it is hereby

ORDERED

I. Until April 10, 2000, A.V.S. Armoured Vehicles' Systems, Inc., now known as S.P.L. Spare Parts Logistics, Inc., 1117 Old Country Road, Plainview, New York 11803, may not, directly or indirectly, participate in any way, in any transaction involving any commodity, software or technology (hereinafter collectively referred to as "item") exported or to be exported from the United States, that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

- A. Applying for, obtaining, or using any license, License Exception, or export control document;
- B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or

- C. Benefiting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.
- II. No person may directly or indirectly, do any of the following:
 - A. Export or reexport to or on behalf of the denied person any item subject to the Regulations;
 - B. Take any action that facilitates the acquisition or attempted acquisition by a denied person of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby a denied person acquires or attempts to acquire such ownership, possession or control;
 - C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from the denied person of any item subject to the Regulations that has been exported from the United States;
 - D. Obtain from the denied person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or
 - E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the United States and which is owned, possessed or controlled by the denied person, or service any item, of whatever origin, that is owned, possessed or controlled by the denied person if such service involves the use of any item subject to the Regulations that has been or will be exported from

the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.


III. After notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to A.V.S. Armoured Vehicles' Systems, Inc., now known as S.P.L. Spare Parts Logistics, Inc., by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be subject to the provisions of this Order.

IV. This Order does not prohibit any export, reexport, or other transaction subject to the Regulations where the only items involved that are subject to the Regulations are the foreign-produced direct product of U.S.-origin technology.

V. This Order is effective immediately and shall remain in effect until April 10, 2000.

VI. A copy of this Order shall be delivered to A.V.S. Armoured Vehicles' Systems, Inc., now known as S.P.L. Spare Parts Logistics, Inc. This Order shall be published in the Federal Register.

Date: 3/23/99


Eileen M. Albanese
Director
Office of Exporter Services